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FM AMEMBASSY DAMASCUS

TO RUEHC/SECSTATE WASHDC IMMEDIATE 7159  
INFO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY  
RUEHGB/AMEMBASSY BAGHDAD PRIORITY 0060  
RUEHLO/AMEMBASSY LONDON PRIORITY 0837  
RUEHFR/AMEMBASSY PARIS PRIORITY 0791  
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY  
RHEFDIA/DIA WASHINGTON DC PRIORITY  
RHMFISI/HQ USCENTCOM MACDILL AFB FL PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL PRIORITY  
RHEHAAA/WHITE HOUSE WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 DAMASCUS 000884

SIPDIS

DEPARTMENT FOR NEA/ELA, NEA/IZ  
NSC FOR SHAPIRO/MCDERMOTT  
LONDON FOR LORD  
PARIS FOR NOBLES

E.O. 12958: DECL: 12/22/2019

TAGS: EFIN ETTC PGOV PREL PTER CASC IR SY

SUBJECT: SYRIAN MFA HOPES REVOKING BANK AMAN LICENSE NOT  
PRECONDITION FOR U.S. REVIEW OF COMMERCIAL BANK OF SYRIA;  
CONSIDERS U.S. ASSISTANCE REQUESTS FOR AMCITS DETAINED IN  
IRAN

REF: A. STATE 124998  
    1B. DAMASCUS 728  
    1C. STATE 130338

Classified By: CDA Charles Hunter for Reasons 1.4 b and d.

¶1. (C) Charge and Pol/Econ Chief delivered Ref A demarche on December 23 to Husam Aala, Chief of Staff for Vice Foreign Minister Faisal Miqdad. Aala recalled Miqdad had discussed the subject of Bank Aman during his late-September meetings with State, Commerce, and Treasury officials and understood the U.S. concern. Miqdad had urged U.S. officials to take positive steps that would allow Treasury to initiate a review under Section 311 of the Patriot Act of the Commercial Bank of Syria's (CBS) record of compliance with money laundering issues. Aala asked three questions: what was the status of Bank Saderat at the UN? (2) Had Washington made the demarche to Syrian Ambassador Mustafa as well? and (3) What would happen if Syria reacted positively to the U.S. request to rescind the license for Bank Aman? Alaa said Syria remained encouraged by the U.S. Administration's desire for better relations with Syria, but Damascus hoped to see more concrete gestures, such as providing a positive response to repeated requests for assistance in enabling the transfer of a Presidential plane to Syria from Qatar and in facilitating a Section 311 review of CBS.

¶2. (C) Charge replied Treasury had raised its concerns with Miqdad regarding Bank Aman in late September. Reports that the Syrian Central Bank had issued a license for a joint venture between CBS and Bank Saderat triggered immediate concerns in Washington because the U.S. had designated Saderat in October 2007 for its role in terrorist financing and the UN had identified Saderat for proliferation-related concerns in March 2008. The U.S. would be unable to begin discussion on the Section 311 provisions in force against CBS while the joint Saderat-CBS was proceeding with the support of the Syrian government. Treasury, moreover, had a regulatory responsibility to publicly warn U.S. financial institutions regarding the establishment of Bank Aman, but we preferred to discuss our concerns privately before taking such actions.

¶3. (C) Aala replied he would convey the demarche to Miqdad and others but reiterated Syria's desire to see positive and concrete gestures from the U.S. "I hope revoking Bank Aman's license is not a pre-condition" for a Section 311 review of CBS, he stressed. Charge answered that our desire was to raise our concerns privately. Without Syrian action on Bank Aman's license, however, Washington would be unable to respond positively to Miqdad's request for a Section 311 review for CBS. Aala replied Syria wanted to encourage a positive atmosphere for better relations, but doing so would require steps by both sides. Charge said that continuing relations between CBS and Saderat would complicate this bilateral issue and force Treasury to fulfill its legal responsibilities. Aala took these points and expressed hope that an upcoming visit by U/S Burns would open discussions on the state of play in bilateral relations and identify what positive was to move the relationship forward.

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Request for Help for AmCits Detained in Iran  
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¶4. (C) Charge also raised ref C message from the Secretary asking for Syria's assistance in winning the release of, and ensuring more regular consular access to, Joshua Fattal, Shane Bauer, and Sarah Shourd, three Americans arrested by Iranian authorities on July 31 while hiking near the Iraqi/Iranian border. The U.S. had seen media reports suggesting a trial was imminent and was deeply concerned about winning their release. Aala said he would pass this

DAMASCUS 00000884 002 OF 002

request along.  
HUNTER